

**VIRGINIA DEPARTMENT OF SOCIAL SERVICES
DIVISION OF LICENSING PROGRAMS**

TO BE COMPLETED BY:

**APPLICANTS REQUESTING INITIAL LICENSURE TO OPERATE A CHILDREN'S
RESIDENTIAL FACILITY**

PLAN FOR FINANCING THE FIRST YEAR OF OPERATION

DATE: _____

NAME OF FACILITY: _____

ANTICIPATED REVENUE:

- | | | |
|----|--------------------------------------|----------|
| 1. | Fees for Children's Residential Care | \$ _____ |
| 2. | Fees from Other Clients and Services | _____ |
| 3. | Federal Funds | _____ |
| 4. | State Funds | _____ |
| 5. | Local Funds | _____ |
| 6. | Income from Investments/Interest | _____ |
| 7. | Endowment/Trust Funds | _____ |
| 8. | Contributions/Solicitations | _____ |
| 9. | Other (Specify) _____ | _____ |
| | _____ | _____ |
| | _____ | _____ |

TOTAL REVENUE

\$ _____

(Attach documentation of funds or credit available for the first 90 days of operation.)

PLAN FOR FINANCING THE FIRST YEAR OF OPERATION

ANTICIPATED EXPENSES:

1. ADMINISTRATION:

- | | | |
|----|---------------------------------------|----------|
| a. | Office Supplies and Equipment | \$ _____ |
| b. | Depreciation: Building(s) | _____ |
| c. | Depreciation: Equipment | _____ |
| d. | Insurance | |
| | (1) Liability (Premises & Operations) | _____ |
| | (2) Liability (Vehicles) | _____ |
| e. | Interest | _____ |
| f. | Taxes (Specify by Type) _____ | _____ |
| | _____ | _____ |

TOTAL ADMINISTRATION EXPENSES \$ _____

2. SALARIES, WAGES & BENEFITS:

- | | | |
|----|-----------------------------------|----------|
| a. | Salaries & Wages | \$ _____ |
| b. | FICA (Social Security) | _____ |
| c. | Health Care Insurance (Employees) | _____ |
| d. | Group Life Insurance (Employees) | _____ |
| e. | Employer Retirement Contributions | _____ |
| f. | Other Benefits (Specify) _____ | _____ |
| | _____ | _____ |

TOTAL SALARIES, WAGES & BENEFITS EXPENSES \$ _____

PLAN FOR FINANCING THE FIRST YEAR OF OPERATION

ANTICIPATED EXPENSES: (continued)

3. OPERATIONS:

- | | | |
|----|--------------------------------------|----------|
| a. | Food | \$ _____ |
| b. | Rent/Mortgage Payments | _____ |
| c. | Utilities | _____ |
| d. | Maintenance & Repairs | _____ |
| e. | Equipment & Supplies | _____ |
| f. | Depreciation: Buildings | _____ |
| g. | Depreciation: Equipment | _____ |
| h. | Motor Vehicles | _____ |
| i. | Laundry & Linens | _____ |
| j. | Staff Travel | _____ |
| k. | Staff Training | _____ |
| l. | Contractual Services (Specify) _____ | _____ |
| | _____ | _____ |
| m. | License Fees | _____ |
| n. | Other (Specify) _____ | _____ |
| | _____ | _____ |

TOTAL OPERATIONS EXPENSES \$ _____

TOTAL EXPENSES **\$ _____**

_____ **PROJECTED NUMBER OF CHILDREN IN CARE ON WHICH ANTICIPATED
REVENUE & EXPENSES ARE BASED**

**VIRGINIA DEPARTMENT OF SOCIAL SERVICES
DIVISION OF LICENSING PROGRAMS**

**PLAN FOR FINANCING THE FIRST YEAR OF OPERATION OF A
CHILDREN'S RESIDENTIAL FACILITY**

INTRODUCTION

The Plan for Financing the First Year of Operation provides financial information regarding anticipated revenue (income) and operating expenses for the first year's operation. The plan provides information needed to determine an applicant's financial responsibility as required by the applicable standards for children's residential facilities. Amounts entered are to be based on legitimate sources of revenue and a realistic estimate of anticipated expenses. The requested data is critical to evaluating the facility's capability to operate effectively and meet essential financial obligations during the first year. Do not include any revenue or expenses which are not directly associated with operation of the facility.

INSTRUCTIONS FOR COMPLETING THE FORM

ANTICIPATED REVENUE (Income): The anticipated annual income available to the facility from all sources for operation of the facility. Do **not** include the personal income of the applicant(s) unless this income is to be used for operating the facility. Amounts shown should be as accurate as possible and supported by confirming documentation.

1. **Fees for Children's Residential Care:** The anticipated revenue which will be received during the year from fees or payments. It should be based on the rate per child to be charged by the facility and the number of children that will actually be in care during the first year of operation. This may be estimated to be less than the requested licensed capacity.
2. **Fees from Other Clients and Services:** The revenue which will be received during the year as fees or payments for care or services provided to children other than those in residential (24 hour per day) care.
3. **Federal Funds:** The revenue which will be received the year from Federal agencies. Do not include revenue listed as part of "Fees for Children's Residential Care."
4. **State Funds:** The revenue which will be received during the year from State agencies. Do not include revenue listed as part of "Fees for Children's Residential Care."
5. **Local Funds:** The revenue which will be received during the year from localities. Do not include revenue listed as part of "Fees for Children's Residential Care."

PLAN FOR FINANCING THE FIRST YEAR OF OPERATION

6. Income from Investments/Interest: Annual income to support facility operations which will be provided from existing investments.
7. Endowment/Trust Fund(s): Revenue to be received for the entire year from any endowments or trust funds which currently exist and would provide income to support facility operations.
8. Donations/Solicitations: Income to be received from donations and solicitations and which will be used to support facility operations. Include sources such as religious or fraternal organizations, United Way Funds, fund drives and solicitations, and any other fund-raising activities.
9. Other (Specify): Annual amount of income to be received from any other source(s) which will be used to operate the facility. Specify each source and the amount.

ANTICIPATED EXPENSES: The anticipated annual expenses of all types necessary to operate the facility. It is the total of all expense items shown below. Three major categories of anticipated expenses are shown. The explanations of the sub-headings are intended to assist the applicant in understanding the number and types of financial considerations involved in facility operation and to assist in evaluating the facility's application.

1. Administration:

- a. Office Supplies & Equipment: The estimated annual cost of expendable items used for administrative purposes and which are not capitalized (converted to capital) under the facility's policy (*e.g: pens, pencils, paper, filing cabinets, computers, desks, chairs*).
- b. Depreciation: Buildings: The total annual estimate of depreciation on all buildings owned and utilized by the facility to support the administration of the facility (*e.g. buildings which house administrative offices*).
- c. Depreciation: Equipment: The total annual estimate of depreciation on all capital equipment and non-expendable items owned and used by the facility to support administrative operations and which are capitalized (converted to capital) under the facility's policy (*e.g. desks, chairs, computers used in administrative offices*).
- d. Insurance:
 - (1) Liability (Premises and Operations): The total annual cost of liability insurance covering the premises and operation as required by § 130.A.
 - (2) Liability (Vehicles): The total annual cost of liability insurance covering all of the vehicles used to support the facility's operations.

PLAN FOR FINANCING THE FIRST YEAR OF OPERATION

- e. Interest: The total amount of interest payments due within the next year on outstanding loans or other debts.
- f. Taxes: The annual amount of all taxes which must be paid by the facility. Include Virginia Employment Commission and Federal Unemployment Taxes which must be paid on employees' salaries and wages as well as business license taxes, property taxes, real estate taxes (if not included as part of the mortgage payment under Item 3, below). Specify each tax on a separate line under the entry "taxes." **The Employer's FICA (Social Security) taxes should be shown under Item 2, b, below.**

2. Salaries, Wages & Benefits:

- a. Salaries & Wages: All salaries and wages to be paid by the facility to its employees. If the facility is a corporation or association, include payments to the Board of Directors for salaries or expenses. Include salaries/wages to the facility's owner, director, or chief administrative officer.
- b. FICA (Social Security): The total annual FICA (Social Security) tax to be paid by the facility for all employees. Include only the facility's contribution; not the employees.
- c. Health Care Insurance: The total annual premiums paid by the facility for health care insurance for employees if the cost of all or part of such insurance is provided by the facility. Include only the facility's share; not the employees.
- d. Group Life Insurance: The total amount of annual premiums paid by the facility for employee group life insurance if the cost of all or part of such insurance is provided by the facility. Include only the facility's share; not the employees.
- e. Employer Retirement Contribution: The total annual contribution made by the facility to the retirement fund(s) of employees. Include only the facility's share; not the employees.
- f. Other Benefits (Specify): The cost(s) of any additional benefits provided by the facility to employees. Include only the facility's share; not the employees.

3. Operations:

- a. Food: The anticipated annual cost of food to be used in the facility. Include costs of food for three meals each day and the costs of any snacks which are provided. *(This amount should not include the cost of food that is provided for staff. These costs are reported under Item 3, n, Other.)*
- b. Rent or Mortgage Payments: The total annual payments for buildings/property of the facility [e.g. office building(s), living unit(s)].

PLAN FOR FINANCING THE FIRST YEAR OF OPERATION

- c. Utilities: The total payments made or to be made by the facility for electricity, water, fuel oil, gas (*for heating*), sewage and refuse services, telephone and similar services.
- d. Maintenance & Repairs: The annual cost of all items used to maintain or repair the facility (*e.g. paint, lumber, nails, roofing materials, grass seed*).
- e. Equipment and Supplies: The total projected annual cost of equipment which is not to be depreciated and expendable supplies which will be used to support facility operations in areas other than the administrative offices. Include equipment rental costs here.
- f. Depreciation: Buildings: The total annual estimate of depreciation on all buildings owned and used by the facility to support operations other than administration (*e.g. classrooms, residential cottage*).
- g. Depreciation: Equipment: The total annual estimate of depreciation on all capital equipment owned and used by the facility to support operations other than administration (*e.g. food service equipment, furniture in residential cottages, classroom equipment, vehicles*).
- h. Motor Vehicles: All expenses related to the maintenance and operation of motor vehicles used by the facility and used to support operation of the facility (*e.g. cars, vans, and trucks*).
- i. Laundry and Linens: The cost of soap, detergents, and other laundry supplies and the cost for outside laundry services.
- j. Staff Travel: The total projected travel expenses which will be incurred by staff to support operations and programs offered by the facility. Include transportation costs and the costs for food and lodging, if overnight travel is required.
- k. Staff Training: The projected annual costs which will be paid for by the facility for training and development of facility staff.
- l. Contractual Services: The projected annual costs for any services provided to the facility under contract to support facility operations or the programs offered. List each contractual service separately.
- m. License Fees: The total projected annual fee(s), if any, which must be paid by the facility for any required license(s) (*e.g. occupational and professional registrations, motor vehicle licenses*).
- n. Other (Specify): The annual cost of any other expenses not included in other items. Specify each item and the amount (*e.g. the estimated cost of meals and lodging provided by the facility to staff at no cost to staff*).